
HOUSE BILL No. 1157

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-9.5; IC 6-9.

Synopsis: Vanderburgh County supplemental taxes. Establishes a 2% Vanderburgh County rental car excise tax. Requires that the revenue must be provided to the convention and visitors bureau or its designee for capital or operational costs. Requires the Vanderburgh County convention and visitor commission to report annually to the state legislators whose districts include all or part of Vanderburgh County. Extends the Vanderburgh County food and beverage tax through the year 2025 and designates the revenue to financing improvements to Mesker Park Zoo and Preservation Park.

Effective: January 1, 2003.

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January 9, 2002, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1157

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-6-9.5 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2003]:

4 **Chapter 9.5. Vanderburgh County Supplemental Auto Rental**
5 **Excise Tax**

6 **Sec. 1. As used in this chapter, "department" refers to the**
7 **department of state revenue.**

8 **Sec. 2. As used in this chapter, "gross retail income" has the**
9 **meaning set forth in IC 6-2.5-1-5, except that the term does not**
10 **include taxes imposed under IC 6-2.5.**

11 **Sec. 3. As used in this chapter, "passenger motor vehicle" has**
12 **the meaning set forth in IC 9-13-2-123(a).**

13 **Sec. 4. As used in this chapter, "person" has the meaning set**
14 **forth in IC 6-2.5-1-3.**

15 **Sec. 5. As used in this chapter, "retail merchant" has the**
16 **meaning set forth in IC 6-2.5-1-8.**

17 **Sec. 6. (a) The county council of a county having a population of**

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more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000) may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles in the county for periods of less than thirty (30) days. The ordinance must specify that the tax expires December 31, 2033.

(b) The county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle equals two percent (2%) of the gross retail income received by the retail merchant for the rental.

(c) If the county council adopts an ordinance under subsection (a), the county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(d) If the county council adopts an ordinance under subsection (a) before June 1 of a year, the county supplemental auto rental excise tax applies to auto rentals after June 30 of the year in which the ordinance is adopted. If the county council adopts an ordinance under subsection (a) on or after June 1, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month in which the ordinance is adopted.

Sec. 7. (a) The rental of a passenger motor vehicle by a funeral director licensed under IC 25-15 is exempt from the county supplemental auto rental excise tax if the rental is part of the services provided by the director for a funeral.

(b) The temporary rental of a passenger motor vehicle is exempt from the county supplemental auto rental excise tax if the rental is:

- (1) made or reimbursed under a contract or agreement between a provider and person given for consideration over and above the lease or purchase price of a motor vehicle that undertakes to perform or provide repair or replacement service, or indemnification for that service, for the operational or structural failure of a motor vehicle due to a defect in materials or skill of work or normal wear and tear;
- (2) made or reimbursed under a contract for mechanical breakdown insurance;
- (3) made or reimbursed under a contract for automobile collision insurance or automobile comprehensive insurance that covers the temporary lease of a vehicle to the person after the person's vehicle is damaged or destroyed in a collision; or
- (4) otherwise provided to a person as a replacement vehicle:
 - (A) while the person's vehicle is repaired or serviced due

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to a defect in materials or skill of work, normal wear and tear, or other damage; or

(B) until the person permanently replaces a vehicle that has been destroyed.

Sec. 8. A person that rents a passenger motor vehicle is liable for the county supplemental auto rental excise tax. The person shall pay the tax to the retail merchant as a separate amount added to the consideration for the rental. The retail merchant shall collect the tax as an agent for the state.

Sec. 9. (a) Except as otherwise provided in this section, the county supplemental auto rental excise tax shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) Each retail merchant filing a return for the county supplemental auto rental excise tax shall indicate in the return:

(1) all locations in the county where the retail merchant collected county supplemental auto rental excise taxes; and

(2) the amount of county supplemental auto rental excise taxes collected at each location.

(c) The return to be filed for the payment of the county supplemental auto rental excise tax may be:

(1) a separate return;

(2) combined with the return filed for the payment of the auto rental excise tax under IC 6-6-9; or

(3) combined with the return filed for the payment of the state gross retail tax;

as prescribed by the department.

Sec. 10. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

Sec. 11. (a) If a tax is imposed under section 6 of this chapter, the county treasurer shall establish a county supplemental auto rental excise tax fund.

(b) The county treasurer shall deposit in this fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the fund becomes a part of the fund.

(d) Money in this fund shall be used by the county council solely to pay the capital and operational costs of the county convention and visitors bureau or the county convention and visitors bureau's designee.

Sec. 12. This chapter expires January 1, 2033.

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SECTION 2. IC 6-9-2.5-3 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The
commission may:

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions which the commission deems necessary and desirable;
- (2) sue and be sued;
- (3) enter into contracts and agreements;
- (4) make rules and regulations necessary for the conduct of its business and the accomplishment of its purposes;
- (5) receive and approve, alter, or reject requests and proposals for funding by corporations described in section 7 of this chapter;
- (6) transfer money received under this chapter for the purposes specified in sections 7 and 7.5 of this chapter; and
- (7) require financial or other reports from any corporation that receives funds under this chapter.

(b) A majority of the commission shall constitute a quorum for the transaction of business and the concurrence of a majority of those present shall be necessary to authorize any action.

(c) On or before December 31 of a year, the commission shall file a written report with each state legislator whose district includes all or part of the county. The report must summarize the commission's activities under subsection (a) during the year, including the distribution of money received under this chapter.

SECTION 3. IC 6-9-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The fiscal body of the county may adopt an ordinance to impose an excise tax, known as the county food and beverage tax, on those transactions described in section 4 of this chapter.

(b) If a fiscal body adopts an ordinance under subsection (a), it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(c) If a fiscal body adopts an ordinance under subsection (a), the county food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

(d) The tax terminates in a county on January 1 of the year immediately following the year in which the last of the bonds issued to finance the construction of an airport terminal and the last of any bonds issued to refund those bonds have been completely paid as to both principal and interest.

(e) Notwithstanding subsection (d), if the county fiscal body

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1 determines that the tax under this chapter should be continued in order
2 to finance improvements to a county auditorium or auditorium
3 renovation resulting in a new convention center and related parking
4 facilities, the tax does not terminate as specified in subsection (d) but
5 instead continues until January 1 of the year following the year in
6 which the last of the bonds issued to finance improvements to a county
7 auditorium or auditorium renovation resulting in a new convention
8 center and related parking facilities, and the last of any bonds issued to
9 refund those bonds, have been completely paid or defeased as to both
10 principal and interest. An action to contest the validity of the
11 determination under this subsection must be instituted not more than
12 thirty (30) days after the determination.

13 **(f) Notwithstanding subsection (d) or (e), the tax under this**
14 **chapter does not terminate as specified in subsection (d) or (e) but**
15 **instead continues until January 1, 2025, to:**

- 16 **(1) finance improvements to the largest zoo located in the**
17 **county; and**
18 **(2) provide funding to the preservation park authority (as**
19 **defined in IC 6-9-2.5-7.3(a)).**

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